

REMARKS

In response to the Final Office Action mailed 7 May 2007, the Applicant respectfully requests the Examiner to reconsider the above-captioned application in view of the above amendments and the following comments.

In the Office Action, claims 1-48 were rejected. These amendments herein are made to more particularly point out and specify the claimed subject matter. Claims 1, 20, 24 and 45 have been amended. Reconsideration and allowance of all pending claims is respectfully requested.

Rejection of Claims under 35 U.S.C. §103

The Office has rejected Claims 1-4, 6-11, 13-27, 29-34, 36-41 and 43-48 under 35 U.S.C. §103 as being unpatentable over Levine et al (U.S. Pat. No. 6,233,566) in view of Tealdi et al (U.S. Pub. No. 2001/0029482).

As noted in the prior response, the claims recite the financing solicitation module for the loan that is comprised of a plurality of subscriptions whereas Levine describes a loan pool, which is a collection of loans, wherein investors can purchase an individual loan or a pool of loans. As noted in the Office Action (Page 3), there is nothing noted in Levine that describes an individual loan that is comprised of a plurality of subscriptions that is then offered to investors.

In more for particular detail, for an individual loan, Levine does not teach soliciting at least one financing entity to purchase at least one of a plurality of subscriptions, each of the subscriptions having a predetermined monetary amount being a portion of the loan, wherein a total of the plurality of subscriptions is an amount equal to the loan. The claimed features of providing a single loan comprising a plurality of subscriptions and

having these subscriptions purchased by finance entities is not described or otherwise suggested.

In an attempt to find such features, the Office states that Tealdi, teaches an online mortgage approval process for bulk sale processing and that this is analogous to the claimed features. In support thereof, the Office refers to the Tealdi Par. [0142] recited below, and more specifically to the use by Tealdi of “percentage terms”.

[0142] FIG. 12 illustrates a bulk sale process in accordance with one embodiment of the present invention. Instead of manually shopping for conduit banks that may be interested in purchasing a loan as in the conventional bulk sale process, in the bulk sale process of the present invention the mortgage bank designates a digital loan record and places it on the market place with an asking price. It will be appreciated by one of ordinary skill in the art that the asking price may be based on any number of factors, and may be issued in dollar terms or percentage terms. For example, in one embodiment the asking price is based on the last sold price of similar products shown by the market place and the prevailing interest rate.

The Office alleges that the use of “percentage terms” equates to percentages sold that would add up to the total amount. Applicant asserts that this is an incorrect interpretation of Tealdi. As noted in Tealdi Par. [0142], the “asking price” may be issued in dollar terms or percentage terms. The use of percentage terms in this context refers to a single dollar value such as 80% of the loan amount. This is based on the phraseology that specifically states “dollar terms or percentage terms.”

Furthermore, Tealdi Par. [0146] clearly supports the Applicant’s interpretation as Tealdi notes that the “system 500 puts the loan on the market place with an asking price, which may be expressed in multiple formats, such as a dollar or a percentage of loan amount.” The asking price in both cases does not refer to a portion of the loan that is subdivided into a number of subscriptions – rather, it refers to a percentage of the loan amount that is used for the asking price. For example, for a \$100,000 loan, the asking price can be expressed as \$80,000 or 80% of the loan amount.

For at least this reason, the claims remain distinguished from the cited references taken alone or in combination. Reconsideration and allowance is respectfully requested for all claims.

“In addition, it should also be appreciated that the financing entity 400 may comprise a combination of various entities, such as, individuals, corporations, companies, banks or other entities, that each provide a portion of the financing for the entire loan amount.” (Specification Page 4) Applicant has further amended the claims to include the feature wherein the financing entity comprises at least individuals that are not mortgage/loan parties.

Tealdi specifically notes that “[a]lthough reference is made throughout the specification to mortgage or lender banks and conduit or investor banks, it will be appreciated by one of ordinary skill in the art that the present invention is applicable to any type of financial institutions.” (Tealdi, Par [0093])

The present claims reflect “[t]he system and method for securing financing also allows the public to underwrite and finance loans by contributing small amounts of cash and credit to the system for securing financing, and the proffered cash and credit investments are accumulated until the requested loan amount has been amassed. The system for securing financing also disburses the loan to the borrower who is seeking the loan. The system for securing financing also receives the loan payments and disburses a portion thereof to the investors and/or financing entities.” (Specification Page 2)

The Tealdi reference is specifically intended to automate certain portions of the loan process in the mortgage industry. There is nothing in Tealdi that extends the loan process to the public to include public subscriptions, nor any parties beyond the standard mortgage and loan players.

As detailed in the present specification, the “financing solicitation module 172 can, in one embodiment, perform the solicitation of public subscriptions. In another embodiment, the solicitation of public subscriptions can be performed by posting subscription information on the wide area network, such as, the Internet.” (Specification page 8) Thus, the present claims include the feature that includes at least one public subscription or to include at least one member of the public in the solicitation.

Claims 5, 12, 28, 35, and 42 are further rejected under 35 USC 103(a) as being unpatentable over Levine in view of Tealdi and further view of Official Notice. In light of the arguments and amendments herein, these claims should now be deemed allowable.

The Applicant has amended the independent claims 1, 20, 24 and 45 and notes that each of other rejected claims are derived from the independent claims and should be deemed allowable. On the basis of the elements recited in these independent claims, each of the rejected dependent claims includes elements that are not taught or suggested by the Levine or Tealdi references. The Applicant therefore respectfully requests that the Examiner withdraw the rejection of these claims under §103 and allow the pending claims. In view of the remarks and amendments set forth above, Applicant submits that all pending claims are now in a condition for allowance, and respectfully requests allowance of the pending claim set.

If the Examiner believes that a telephonic interview will help speed this application toward issuance, the Examiner is invited to contact the undersigned at the telephone number listed below.

Respectfully submitted,

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